

RESOLUTION NO. 85-9

RESOLUTION OF THE CALIFORNIA HOUSING FINANCE  
AGENCY CONCERNING THE FINANCING OF LOANS  
FOR SINGLE-FAMILY RESIDENCES  
AND THE ISSUANCE OF THE AGENCY'S  
MORTGAGE REVENUE BONDS  
FOR THAT PURPOSE

WHEREAS, the California Housing Finance Agency (the "Agency") has determined that there exists a need in California for providing financial assistance to persons and families of low or moderate income to enable them to purchase moderately priced single-family residences (the "Residences");

WHEREAS, the Agency has determined that it is in the public interest for the Agency to provide such financial assistance by means of an ongoing program (the "Program") to make lower-than-market-rate loans for the permanent financing of Residences (the "Loans");

WHEREAS, pursuant to the Zenovich-Moscone-Chacon Housing and Home Finance Act (the "Act"), the Agency has the authority to issue bonds to provide sufficient funds to finance the Program, including the purchase of Loans, the payment of capitalized interest on the bonds, the establishment of reserves to secure the bonds, and other expenditures of the Agency incident to, and necessary or convenient to, the issuance of the bonds;

WHEREAS, the Agency, pursuant to the Act, has from time to time issued various series of its Home Mortgage Revenue Bonds (the "Home Mortgage Revenue Bonds") to provide funds to finance the Program;

WHEREAS, the Board of Directors of the Agency has determined to approve the offering and sale of one or more additional series of Home Mortgage Revenue Bonds and the offering and sale of one or more series of mortgage revenue bonds, the payment of principal of and interest on which is insured by an insurer authorized to issue such insurance in the State of California (the "Insured Bonds," and, collectively with the Home Mortgage Revenue Bonds authorized hereby, the "Bonds"), in the aggregate principal amount of not to exceed the lesser of \$575,000,000 or the amount allocated to the Agency pursuant to Chapter 3.5 of Part 1 of Division 31 of the Health and Safety Code of the State of California (the "Agency Allocation"), from time to time

during the course of calendar year 1985, at such fixed, adjustable or variable interest rates as the Executive Director of the Agency deems appropriate; and

WHEREAS, the Housing Bond Credit Committee, pursuant to the Act, is required to determine the general adequacy of the Program's security in protecting the credit of the State of California;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the California Housing Finance Agency as follows:

Section 1. The Agency is of the opinion and hereby determines that the issuance of one or more additional series of Home Mortgage Revenue Bonds and/or Insured Bonds, on or before December 31, 1985, in an aggregate principal amount of not to exceed the lesser of \$575,000,000 or the Agency Allocation, is necessary to provide sufficient funds to finance the purchase of Loans pursuant to the Program.

Section 2. Pursuant to the Act, the Bonds are authorized to be issued at such time or times on or before December 31, 1985, as the Executive Director of the Agency (herein called the "Executive Director") deems appropriate upon consultation with the Treasurer of the State of California (herein called the "Treasurer") as to the timing of each such issuance. The Bonds are to have the maturity or maturities and are to bear interest at the fixed, adjustable or variable rate or rates deemed appropriate by the Executive Director; provided that no Bond shall have a term in excess of forty years or bear interest at a stated rate in excess of fourteen percent (14%) per annum.

Section 3. The Executive Director is hereby authorized and directed to submit to the Housing Bond Credit Committee a statement of the purpose for which the Bonds are proposed to be issued and the tentative aggregate amount of such proposed issues.

Section 4. The Executive Director of the Agency is hereby expressly authorized and directed, for and on behalf and in the name of the Agency, to determine in furtherance of the objectives of the Program, among other things, the maturities, the sinking fund installments, if any, the portion of the Bonds which are to be term Bonds, if any, the portion of the Bonds which are to be serial Bonds, if any, and the bond reserve account requirement for the Bonds. Upon consultation with the Agency's legal counsel, the Executive Director of the Agency is hereby expressly authorized and directed to approve one or more Supplemental Indentures containing such terms pertaining to the Home Mortgage Revenue

Bonds and one or more Indentures containing such terms pertaining to the Insured Bonds, such approval to be conclusively evidenced by the execution and delivery of such Supplemental Indenture(s) or Indenture(s), as the case may be, by the authorized officers of the Agency. The Executive Director and the Secretary of the Board of Directors of the Agency (herein called the "Secretary"), are hereby authorized and directed, for and on behalf and in the name of the Agency to execute, acknowledge and to deliver to the Trustee and Co-Trustee thereunder (collectively, the "Trustees") one or more Supplemental Indentures pertaining to the Bonds in substantially the form presented at this meeting and one or more Indentures pertaining to the Insured Bonds in substantially the form presented at this meeting, each with such changes therein as the officers executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof. With respect to the Insured Bonds, the Executive Director is authorized to enter into arrangements providing for the Insured Bonds to be secured by the general obligation of the Agency; for the Loans financed thereby to be insured to a percentage to be determined and by a private mortgage guaranty insurer to be approved by the Executive Director; for the Loans financed thereby to be made to finance Residences insured as to earthquake damage; and for there to be no mortgage pool insurance covering the Loans financed thereby; all of such arrangements to be made by the Executive Director, if in his determination any or all of such arrangements will further the objectives of the Program. With respect to the Insured Bonds, the Executive Director is authorized to select with the approval of the Treasurer one or more Co-Trustees as he deems appropriate in furtherance of the objectives of the Program. The Executive Director is hereby additionally authorized to enter into such supplementary bond insurance or put option arrangements as may produce a lower net cost of funds to the Agency for the Program.

Section 5. The Home Mortgage Revenue Bonds shall be in such denominations, carry such registration privileges, be executed in such manner, be payable in such medium of payment at such place or places within or without California, be subject to such terms of redemption and contain such terms and conditions as the General Indenture by and between the Agency and the Treasurer, dated as of September 1, 1982, and each Supplemental Indenture shall provide. The Insured Bonds shall be in such denominations, carry such registration privileges, be executed in such manner, be payable in such medium of payment at such place or places within or without California, be subject to such terms of redemption and contain such terms and conditions as each Indenture shall provide. The Bonds shall be issued in registered form only.

Section 6. The Executive Director is hereby authorized to enter into, and the Secretary of the Board of Directors of the Agency is hereby authorized to attest, for and in the name and on behalf of the Agency and under its seal, one or more Mortgage Purchase Agreements and Servicing Agreements with such lender or lenders as the Executive Director may select in accordance with the purposes of the Program, and any such selection of a lender or lenders is to be deemed approved by this Board as if it had been made by this Board.

Section 7. The Bonds are hereby authorized to be sold at a negotiated sale or sales. The Executive Director is hereby authorized and directed, for and in the name and on behalf of the Agency, to execute and deliver one or more purchase contracts with Merrill Lynch Capital Markets (Merrill Lynch, Pierce, Fenner & Smith, Incorporated), Shearson Lehman/American Express Inc., and/or such other underwriters, if any, as the Executive Director may select in consultation with the Treasurer, in the form or forms approved by the Executive Director upon consultation with the Agency's legal counsel, such approval to be evidenced conclusively by the execution and delivery of said purchase contract by the Executive Director.

Section 8. The Treasurer is hereby authorized and requested, without further action of the Board of Directors of the Agency and unless instructed otherwise by the Board of Directors of the Agency, to sell each series of Bonds at the time and place and pursuant to the terms and conditions set forth in the applicable purchase contract as finally executed. The Treasurer is hereby further authorized and requested to cash and deposit the proceeds of any good faith deposit check to be received by the Treasurer under the terms of a purchase contract in a special trust account for the benefit of the Agency, and the amount of said check shall be applied at the time of delivery of the applicable Bonds, as the case may be, as part of the purchase price thereof or returned to the underwriters as provided in the applicable purchase contract.

Section 9. The Executive Director is further authorized to hold information meetings concerning the Bonds and to distribute other information and material relating to the Bonds.

Section 10. The Executive Director is hereby authorized and directed to execute, and the Secretary of the Board of Directors of the Agency is hereby authorized to attest, for and on behalf and in the name of the Agency and under its seal, the Bonds, in an aggregate principal amount of not to exceed the lesser of \$575,000,000 or the Agency

Allocation, in accordance with the General Indenture and the Supplemental Indenture(s), in one or more of the forms set forth in the Supplemental Indenture(s) in the case of the Home Mortgage Revenue Bonds, and in accordance with the Indenture, in one or more of the forms set forth in the Indenture in the case of the Insured Bonds.

Section 11. The Bonds, when so executed, shall be delivered to the Trustees to be authenticated by, or caused to be authenticated by, the Trustees. The Trustees are hereby requested and directed to authenticate, or cause to be authenticated, the Bonds by executing the certificate of authentication and registration appearing thereon, and to deliver the Bonds when duly executed and authenticated to the Underwriters in accordance with written instructions executed on behalf of the Agency by the Executive Director, which instructions said officer is hereby authorized and directed, for and on behalf and in the name of the Agency, to execute and deliver. Such instructions shall provide for the delivery of the Bonds to the underwriters upon payment of the purchase price or prices thereof.

Section 12. The Executive Director is hereby authorized to circulate one or more Preliminary Official Statements relating to the Bonds and, after the sale of the Bonds, to execute and circulate one or more Official Statements relating to the Bonds, and the circulation of such Preliminary Official Statements and such Official Statements to prospective and actual purchasers of the Bonds is hereby approved.

Section 13. All actions previously taken by the Agency relating to the Program and the issuance of the Bonds, including, but not limited to, the distribution of its Program Manual, Lender Application, Offer to Originate and Service Loans, Mortgage Purchase Agreement, Servicing Agreement and Servicer's Guide are hereby ratified.

Section 14. The Treasurer and officers of the Agency, or the duly authorized deputies thereof, are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate the issuance, sale and delivery of the Bonds and otherwise to effectuate the purposes of this resolution.

Section 15. In the Executive Director's absence or upon his authorization, all actions by the Executive Director herein approved or authorized may be taken by the Director of Financing of the Agency.

SECRETARY'S CERTIFICATE

I, Jose B. Martinez, Secretary of the Board of Directors of the California Housing Finance Agency, hereby certify that the foregoing is a full, true, and correct copy of Resolution 85-9 duly adopted at a regular meeting of the Board of Directors of the California Housing Finance Agency duly called and held in Sacramento, California, on the 14th day of March, 1985, of which meeting all said directors had due notice; and that at said meeting said Resolution was adopted by the following vote:

AYES: Baldwin, DeSantis, Hendricks, Langston, Mazirow, Peevey, Unruh (by Gagan), West (by Diemer), Sterpa

NOES: None

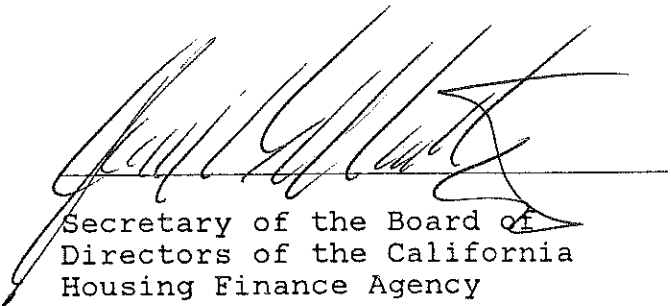
ABSTENTIONS: None

ABSENT: Cantu, Kruer

I further certify that I have carefully compared the foregoing copy with the original minutes of said meeting on file and of record in my office; that said copy is a full, true, and correct copy of the original Resolution adopted at said meeting and entered in said minutes; and that said Resolution has not been amended, modified or rescinded in any manner since the date of its adoption, and the same is now in full force and effect.

IN WITNESS WHEREOF, I have executed this certificate and affixed the seal of the Board of Directors of the California Housing Finance Agency hereto this 14th day of March, 1985.

[SEAL]



Secretary of the Board of  
Directors of the California  
Housing Finance Agency